

The Life of an Escrow

It begins with the order and acceptance of the escrow by the real estate agent representing Buyer and Seller.

The Buyer(s)

• Orders a written order to purchase (or accepts the offer) from the seller, accompanied by a good faith deposit (amount).

• Approves and signs the escrow instructions and other related documents required to complete the transaction.

• Approves the preliminary report and any property disclosure or inspection reports submitted by the purchase and sale agreement, subject to the report.

• Approves and signs new loan documents and fulfills any remaining conditions contained in the escrow instructions and/or the escrow instructions.

• Deposits funds necessary to close the escrow, approves any changes to escrow instructions in the escrow instructions.

The Lender

(When Applicable)

• Accepts the new loan application and other related documents from the Buyer(s) and begins the evaluation process.

• Orders and reviews the property appraisal, credit report, preliminary title report, verification of deposit, preliminary report, and other related information.

• Submits the entire package to the loan committee and/or underwriter for approval. When approved, loan conditions and title insurance requirements are established.

• Issues Buyer(s) a loan approval letter, communicates expiration date, and provides a good faith estimate of the closing costs.

• Deposits the new loan documents and instructions with the escrow agent from Buyer(s) approval and signature.

• Reviews and approves the completed loan package and coordinates the remaining steps in the escrow process.

The Escrow Officer

- Receives an order for escrow and title services.
- Orders the preliminary report and examination on the subject property from Gateway Title Company.
- Acts as the impartial "stakeholder" or depository, in a fiduciary capacity, for all documents and monies required to complete the transaction per written instructions of the principals.
- Prepares the escrow instructions and required documents in accordance with the terms of the sale.
- With authorization from the real estate agent or principal, orders demands on existing deeds of trust and liens or judgments, if any. For assumption or subject to loan, orders the beneficiary's statement or formal assumption package.
- Reviews documents received in the escrow: preliminary report, payoff or assumption statements, new loan package and other related instruments. Reviews the conditions in the lender's instructions including the hazard and title insurance requirements.
- Presents the documents, statements, loan package(s), estimated closing statements, and other related documents to the principal(s) for approval and signature, and request the balance of the Buyer's funds.
- Reviews the signed instructions and documents, returns the loan package and request the lender's funds.
- Receives the proceeds of the loan(s) from the lender(s).
- Determines when the transaction will be in the position to close and advises the parties.
- Assisted by title personnel, records the deed, deed of trust and other documents required to complete the transaction with the County Recorder and orders the title insurance policies.
- Closes the escrow by preparing the final settlement statements, disbursing the proceeds to the Seller, paying off the existing encumbrances and other obligations. Delivers the appropriate statements, funds, and remaining documents to the principals, agents and/or lender(s).

Agents rely on the Escrow Officer's coordination of documents, loans, title, and inspections to complete the transaction on time.

The Seller(s)

• Accepts Buyer's order to purchase and makes good on the order to open escrow.

• Submits documents and information to the escrow officer as directed by the escrow officer for recording: purchase agreement, home warranty contracts, any lease and/or rental agreements.

• Approves and signs the escrow instructions, deed of trust, and other related documents required to complete the transaction.

• Orders inspections, receives clearances, and approves final reports and documents to be provided to the Buyer(s) by the terms of the purchase and sales agreement.

• Disposes of the property.

• Fulfills any remaining conditions specified in the purchase and sales agreement, approves the payoff of demands and/or beneficiary's statements.

• Approves any final changes to escrow instructions to the escrow instructions of completion.

• Records the deed, deed of trust, and other documents required to complete the transaction.

• Reviews the signed instructions and documents, returns the loan package and request the lender's funds.

• Determines when the transaction will be in the position to close and advises the parties.

• Assisted by title personnel, records the deed, deed of trust and other documents required to complete the transaction with the County Recorder and orders the title insurance policies.

Gateway Title Company

• Reviews the order for title services.

• Examines the public records affecting the real property and issues preliminary report.

• Determines the requirements and documents needed to complete the transaction and advises the escrow officer and/or principals.

• Reviews and approves the signed documents, closes and fulfills the title insurance contract to the escrow officer.

• When authorized by the escrow officer, records the signed documents with the County Recorder's Office and provides the title insurance policies.

If you have any questions please call our main office
(800) 660-8992

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